



FOR IMMEDIATE RELEASE
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CIB MARINE BANCSHARES, INC. ANNOUNCES 2017 SECOND QUARTER RESULTS

WAUKESHA, Wis. – CIB Marine Bancshares, Inc. (the “Company” or “CIBM”) (OTCQB: CIBH), the holding company of CIBM Bank (the “Bank”), today announces its results of operations and financial condition for the second quarter of 2017. *Net income for the quarter was \$1.0 million, or \$0.06 basic earnings per share and \$0.03 diluted earnings per share, and for the six months ending June 30, 2017, \$1.9 million, or \$0.11 basic and \$0.05 diluted earnings per share.*

A summary of financial results for the quarter is attached. Select highlights include:

- Return on average assets was 0.65% for the quarter and 0.60% for the six months ending June 30, 2017, compared to 0.80% and 0.73% for the same periods in 2016.
- Book and tangible book value per share of common stock are reported at \$0.68 and \$1.16, respectively, for June 30, 2017, compared to \$0.51 and \$0.99 from one year prior.
- Net income for subsidiary CIBM Bank was \$1.2 million for the quarter and \$2.3 million for the six month period ending June 30, 2017, compared to net income of \$1.4 million and \$2.1 million for the same periods of 2016; reflecting stronger year to date results.
- Net interest income of \$4.8 million for the quarter is an increase of \$0.3 million from the same quarter of 2016, and net interest income of \$9.4 million for the six months ending June 30, 2017, is an increase of \$0.5 million from the same period of 2016. The growth primarily reflects higher earning asset balances.
- Noninterest income of \$2.6 million for the quarter is a decrease of \$0.2 million from the same quarter of 2016 and noninterest income of \$4.5 million for the six months ending June 30, 2017, is a decrease of \$0.4 million from the same period of 2016. The results reflect lower net mortgage banking revenue this year due to reduced refinancing activity and the prior year’s net gain on sale of assets and write-downs related to collection activities which was \$0.8 million in the 2016 year to date period.
- During the first six months of 2017, gains on sale of SBA loans have been \$0.7 million compared to \$0.1 million in the same period of 2016.
- Non-performing assets to total assets reported at 2.10% at June 30, 2017, compared to 1.67%

at December 31, 2016, reflecting higher other real estate owned related to one relationship offset in part by lower non-accrual loans.

- Non-accrual loans to total loans reported at 0.99% at June 30, 2017, compared to 1.26% at December 31, 2016, as a result of the collection of a larger construction and development loan.

J. Brian Chaffin, CIB Marine's President and CEO, commented, "CIB Marine's second quarter improvement over the first quarter of 2017 reflects the higher level of earning assets and improved quality of our non-interest income with more coming from our core business activities as opposed to collection activities. Thirteen of the last fourteen quarters have been profitable at CIBM Bank, and this marks the sixth consecutive quarter of profits. Although loan growth has slowed this year so far, our net interest margin has improved from 2.84% as reported in the fourth quarter of 2016 to 3.09% in the second quarter of 2017. Our balance sheet repricing structure, including interest rate swaps hedging certain fixed rate commercial real estate loans, has responded well to the three Fed rate hikes between December of last year and June of this year."

Mr. Chaffin added, "Improved gains on sale of SBA loans are a continued sign of progress in the development of our new Government Guaranteed Lending Division. At Avenue Mortgage, loan volumes have picked up from the first quarter but still lag behind last year due to the market slow-down in refinancing activity caused by higher interest rates. However, home purchase loans have picked up recently and our new lenders in central Illinois are gaining some traction."

Mr. Chaffin concluded, "We are very proud of the level of commercial lending we do within our communities to support local job creation and retention, as well as our growth in mortgage lending which supports local home ownership and property maintenance. Over the last several years, we have consistently been in the top quartile among peer banks in the loan to deposit ratio and our loan growth has exceeded the median peer level. Improved financial results have allowed us to make significant investments in the form of securities purchased that support affordable housing and small businesses, as well as provide both financial and professional service support for a variety of non-profit community service organizations within our markets. Community lending is an area of focus for our organization. It presents certain challenges in the current market environment, but we have committed substantial resources to continue growing and improving this area of the bank in order to meet the needs of our communities."

CIB Marine Bancshares, Inc. is the holding company for CIBM Bank, which operates 11 banking offices in Illinois, Wisconsin, and Indiana and 4 separate mortgage loan offices in Illinois, Wisconsin and Indiana. More information on the Company is available at www.cibmarine.com, including recent shareholder letters, links to regulatory financial reports, and audited financial statements.

Notice that Preferred Dividend has not been declared: Pursuant to Sections 5.4(e)(v) and 5.5(e)(v) of the Company's Articles of Incorporation, notice is hereby given that the Board of Directors of

the Company has not declared a dividend on its Series A Preferred Stock or its Series B Convertible Preferred Stock for the period ended June 30, 2017 and, accordingly, no dividend will be paid to preferred shareholders for such Dividend Period.

FORWARD-LOOKING STATEMENTS

CIB Marine has made statements in this release that may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. CIB Marine intends these forward-looking statements to be subject to the safe harbor created thereby and is including this statement to avail itself of the safe harbor. Forward-looking statements are identified generally by statements containing words and phrases such as “may,” “project,” “are confident,” “should be,” “intend,” “predict,” “believe,” “plan,” “expect,” “estimate,” “anticipate” and similar expressions. These forward-looking statements reflect CIB Marine’s current views with respect to future events and financial performance that are subject to many uncertainties and factors relating to CIB Marine’s operations and the business environment, which could change at any time.

There are inherent difficulties in predicting factors that may affect the accuracy of forward-looking statements.

Stockholders should note that many factors, some of which are discussed elsewhere in this Earnings Release and in the documents that are incorporated by reference, could affect the future financial results of CIB Marine and could cause those results to differ materially from those expressed in forward-looking statements contained or incorporated by reference in this document. These factors, many of which are beyond CIB Marine’s control, include but are not limited to

- operating, legal, and regulatory risks;*
- economic, political, and competitive forces affecting CIB Marine’s banking business;*
- the impact on net interest income and securities values from changes in monetary policy and general economic and political conditions; and*
- the risk that CIB Marine’s analyses of these risks and forces could be incorrect and/or that the strategies developed to address them could be unsuccessful.*

These factors should be considered in evaluating the forward-looking statements, and undue reliance should not be placed on such statements. Forward-looking statements speak only as of the date they are made. CIB Marine undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Forward-looking statements are subject to significant risks and uncertainties and CIB Marine’s actual results may differ materially from the results discussed in forward-looking statements.

CIB MARINE BANCSHARES, INC.
Selected Unaudited Consolidated Financial Data

	At or for the						
	Quarters Ended					Six Months Ended	
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	June 30, 2017	June 30, 2016
(Dollars in thousands, except share and per share data)							
Selected Statement of Operations Data							
Interest and dividend income	\$ 5,732	\$ 5,562	\$ 5,273	\$ 5,286	\$ 5,214	\$ 11,294	\$ 10,390
Interest expense	973	892	793	740	729	1,865	1,464
Net interest income	4,759	4,670	4,480	4,546	4,485	9,429	8,926
Provision for (reversal of) loan losses	47	228	(796)	69	118	275	179
Net interest income after provision for (reversal of) loan losses	4,712	4,442	5,276	4,477	4,367	9,154	8,747
Noninterest income (1)	2,611	1,847	1,908	2,651	2,788	4,458	4,841
Noninterest expense	6,279	5,401	6,127	6,220	5,951	11,680	11,432
Income before income taxes	1,044	888	1,057	908	1,204	1,932	2,156
Income tax expense	20	0	(5)	40	15	20	15
Net income	\$ 1,024	\$ 888	\$ 1,062	\$ 868	\$ 1,189	\$ 1,912	\$ 2,141
Common Share Data							
Basic net income (loss) per share	\$ 0.06	\$ 0.05	\$ 0.06	\$ 0.05	\$ 0.07	\$ 0.11	\$ 0.12
Diluted net income (loss) per share	0.03	0.02	0.03	0.02	0.03	0.05	0.06
Dividend	0	0	0	0	0	0	0
Tangible book value per share (2)	1.16	1.08	1.01	1.04	0.99	1.16	0.99
Book value per share (2)	0.68	0.60	0.53	0.56	0.51	0.68	0.51
Weighted average shares outstanding - basic	18,153,029	18,127,892	18,127,892	18,127,892	18,127,892	18,140,530	18,127,892
Weighted average shares outstanding - diluted	36,516,207	36,193,353	36,082,522	35,818,022	35,631,892	36,355,672	35,631,892
Financial Condition Data							
Total assets	\$ 650,051	\$ 631,160	\$ 653,559	\$ 632,628	\$ 615,708	\$ 650,051	\$ 615,708
Loans	488,289	483,501	483,518	466,057	461,859	488,289	461,859
Allowance for loan losses	(7,653)	(7,567)	(7,592)	(8,549)	(8,219)	(7,653)	(8,219)
Investment securities	111,160	111,745	112,072	103,853	103,542	111,160	103,542
Deposits	493,364	497,144	483,097	476,428	468,377	493,364	468,377
Borrowings	82,025	60,837	96,944	81,636	72,833	82,025	72,833
Stockholders' equity	72,279	70,819	69,523	70,094	69,266	72,279	69,266
Financial Ratios and Other Data							
Performance Ratios:							
Net interest margin (3)	3.09%	3.02%	2.84%	2.95%	3.11%	3.06%	3.13%
Net interest spread (4)	2.92%	2.87%	2.70%	2.80%	2.96%	2.89%	2.98%
Noninterest income to average assets (5)	1.65%	1.16%	1.18%	1.68%	1.88%	1.40%	1.65%
Noninterest expense to average assets	3.96%	3.40%	3.79%	3.93%	4.02%	3.68%	3.90%
Efficiency ratio (6)	85.20%	82.88%	95.91%	86.42%	81.82%	84.11%	83.04%
Earnings (loss) on average assets (7)	0.65%	0.56%	0.66%	0.55%	0.80%	0.60%	0.73%
Earnings (loss) on average equity (8)	5.71%	5.10%	5.93%	4.89%	6.98%	5.41%	6.37%
Asset Quality Ratios:							
Nonaccrual loans to loans (9)	0.99%	1.32%	1.26%	1.16%	0.81%	0.99%	0.81%
Nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing to total loans (9)	2.15%	1.65%	1.60%	1.58%	1.63%	2.15%	1.63%
Nonperforming assets, restructured loans and loans 90 days or more past due and still accruing to total assets (9)	2.10%	1.77%	1.67%	1.32%	1.59%	2.10%	1.59%
Allowance for loan losses to total loans	1.57%	1.57%	1.57%	1.83%	1.78%	1.57%	1.78%
Allowance for loan losses to nonaccrual loans, restructured loans and loans 90 days or more past due and still accruing (9)	72.81%	94.67%	97.99%	116.08%	109.14%	72.81%	109.14%
Net charge-offs (recoveries) annualized to average loans	-0.03%	0.21%	0.14%	-0.22%	0.12%	0.09%	0.01%
Capital Ratios:							
Total equity to total assets	11.12%	11.02%	10.64%	11.08%	11.25%	11.12%	11.25%
Total risk-based capital ratio	15.92%	15.90%	15.40%	15.66%	15.60%	15.92%	15.60%
Tier 1 risk-based capital ratio	14.66%	14.65%	14.15%	14.41%	14.34%	14.66%	14.34%
Leverage capital ratio	11.56%	11.21%	11.14%	11.20%	11.69%	11.56%	11.69%
Other Data:							
Number of employees (full-time equivalent)	181	181	171	169	167	181	167
Number of banking facilities	11	11	11	11	11	11	11

(1) Noninterest income includes gains and losses on securities.

(2) Tangible book value per share is the shareholder equity less the carry value of the preferred stock and less the goodwill and intangible assets, divided by the total shares of common outstanding. Book value per share is the shareholder equity less the liquidation preference of the preferred stock, divided by the total shares of common outstanding.

(3) Net interest margin is the ratio of net interest income to average interest-earning assets.

(4) Net interest spread is the yield on average interest-earning assets less the rate on average interest-bearing liabilities.

(5) Noninterest income to average assets excludes gains and losses on securities.

(6) The efficiency ratio is noninterest expense divided by the sum of net interest income plus noninterest income, excluding gains and losses on securities.

(7) Earnings on average assets are net income divided by average total assets.

(8) Earnings on average equity are net income divided by average common equity.

(9) Excludes loans held for sale.

CIB MARINE BANCSHARES, INC.
Consolidated Balance Sheets (unaudited)

	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016
(Dollars in thousands, except share data)					
Assets					
Cash and due from banks	\$ 10,462	\$ 12,773	\$ 10,291	\$ 11,427	\$ 9,808
Reverse repurchase agreements	20,440	11,019	24,275	27,560	20,313
Securities available for sale	111,160	111,745	112,072	103,853	103,542
Loans held for sale	9,166	2,448	11,469	15,875	11,602
Loans	488,289	483,501	483,518	466,057	461,859
Allowance for loan losses	(7,653)	(7,567)	(7,592)	(8,549)	(8,219)
Net loans	480,636	475,934	475,926	457,508	453,640
Federal Home Loan Bank Stock	2,948	2,070	3,803	3,803	2,170
Premises and equipment, net	4,309	4,369	4,427	4,256	4,358
Accrued interest receivable	1,386	1,377	1,382	1,289	1,290
Other real estate owned, net	3,153	3,153	3,159	982	2,283
Bank owned life insurance	4,441	4,414	4,389	4,363	4,336
Goodwill and other intangible assets	209	215	221	226	232
Other assets	1,741	1,643	2,145	1,486	2,134
Total Assets	\$ 650,051	\$ 631,160	\$ 653,559	\$ 632,628	\$ 615,708
Liabilities and Stockholders' Equity					
Deposits:					
Noninterest-bearing demand	\$ 79,888	\$ 76,088	\$ 77,154	\$ 87,216	\$ 82,460
Interest-bearing demand	31,961	33,027	33,832	29,821	31,508
Savings	183,608	192,175	176,435	169,390	175,955
Time	197,907	195,854	195,676	190,001	178,454
Total deposits	493,364	497,144	483,097	476,428	468,377
Short-term borrowings	82,025	60,837	96,944	81,636	72,833
Accrued interest payable	358	327	349	319	335
Other liabilities	2,025	2,033	3,646	4,151	4,897
Total liabilities	577,772	560,341	584,036	562,534	546,442
Stockholders' Equity					
Preferred stock, \$1 par value; 5,000,000 authorized shares; 7% fixed rate noncumulative perpetual issued-55,624 shares of series A and 4,376 shares of series B; convertible; aggregate liquidation preference- \$60,000	51,000	51,000	51,000	51,000	51,000
Common stock, \$1 par value; 50,000,000 authorized shares; 18,383,891 issued shares; 18,172,844 outstanding shares	18,384	18,346	18,346	18,346	18,346
Capital surplus	158,640	158,602	158,552	158,510	158,493
Accumulated deficit	(153,605)	(154,629)	(155,517)	(156,579)	(157,446)
Accumulated other comprehensive loss, net	(1,611)	(1,971)	(2,329)	(654)	(598)
Treasury stock 218,499 shares at cost	(529)	(529)	(529)	(529)	(529)
Total stockholders' equity	72,279	70,819	69,523	70,094	69,266
Total liabilities and stockholders' equity	\$ 650,051	\$ 631,160	\$ 653,559	\$ 632,628	\$ 615,708

CIB MARINE BANCSHARES, INC.
Consolidated Statements of Operations (Unaudited)

	At or for the						
	Quarters Ended					Six Months Ended	
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016	June 30, 2016	June 30, 2017	June 30, 2016
	(Dollars in thousands)						
Interest Income							
Loans	\$ 4,997	\$ 4,826	\$ 4,493	\$ 4,540	\$ 4,635	\$ 9,823	\$ 9,207
Loans held for sale	79	46	141	153	95	125	178
Securities	598	611	563	513	478	1,209	995
Other investments	58	79	76	80	6	137	10
Total interest income	5,732	5,562	5,273	5,286	5,214	11,294	10,390
Interest Expense							
Deposits	817	749	697	659	692	1,566	1,397
Short-term borrowings	156	143	96	81	37	299	67
Total interest expense	973	892	793	740	729	1,865	1,464
Net interest income	4,759	4,670	4,480	4,546	4,485	9,429	8,926
Provision for (reversal of) loan losses	47	228	(796)	69	118	275	179
Net interest income after provision for (reversal of) loan losses	4,712	4,442	5,276	4,477	4,367	9,154	8,747
Noninterest Income							
Deposit service charges	129	113	121	125	121	242	224
Other service fees	54	46	45	47	52	100	119
Mortgage Banking revenue, net	2,027	1,142	1,414	2,285	2,102	3,169	3,438
Other income	127	97	136	206	96	224	213
Net gains on sale of securities	0	0	0	0	0	0	0
Net gains (losses) on sale of assets and (writedowns)	274	449	192	(12)	417	723	847
Total noninterest income	2,611	1,847	1,908	2,651	2,788	4,458	4,841
Noninterest Expense							
Compensation and employee benefits	4,333	3,705	4,228	4,426	4,143	8,038	7,767
Equipment	319	290	305	277	293	609	566
Occupancy and premises	381	390	390	377	389	771	824
Data Processing	136	140	123	185	151	276	305
Federal deposit insurance	81	87	92	105	106	168	212
Professional services	130	200	156	157	213	330	462
Telephone and data communication	88	81	90	92	99	169	208
Insurance	96	59	60	60	56	155	110
Other expense	715	449	683	541	501	1,164	978
Total noninterest expense	6,279	5,401	6,127	6,220	5,951	11,680	11,432
Income from operations before income taxes	1,044	888	1,057	908	1,204	1,932	2,156
Income tax expense	20	0	(5)	40	15	20	15
Net income	1,024	888	1,062	868	1,189	1,912	2,141
Preferred stock dividend	0	0	0	0	0	0	0
Net income allocated to common stockholders	\$ 1,024	\$ 888	\$ 1,062	\$ 868	\$ 1,189	\$ 1,912	\$ 2,141